REMARKS

I. Introduction

In response to the Office Action dated October 21, 2003, no claims have been cancelled, amended or added. Claims 1-18 remain in the application. Re-examination and re-consideration of the application is requested.

II. Drawing Objections

In paragraph (1) of the Office Action, the drawings were objected to under 37 C.F.R. §1.83(a) because they allegedly fail to show the amortization and unamortization, etc.

Applicant's attorney traverses this objection. Applicant's attorney respectfully asserts that the figures show every element recited in the claims.

For example, FIG. 2 is described at page 7, line 21, which includes the following:

> Page 7, Line 21
> FIG. 2 is a data flow diagram that illustrates the operation of the Value Analyzer Calculation Engine 104 according to the preferred embodiment of the present invention. Within the Value Analyzer Calculation Engine 104, one or more Profitability Calculations 200 accept a number of inputs including Account Attributes 202, Event Attributes 204, Organization Attributes 206, and Profit Factors 208. Thereafter, the Profitability Calculations 200 invoke one or more Rules 210 that generate the FFAPM 212, which in turn are used to create the Database 214. The Database 214 may be represented along account, event, or organization dimensions, or along other dimensions as may be required. These elements are described in more detail below.

The Profitability Calculations 200 are further defined at page 11, line 6:

> Page 11, Line 6
> Profitability Calculations
> The following describes the method used by the Profit Calculations 200:
> 1. Retrieve data from the RDBMS 106.
> 2. Calculate Net Interest Revenue for every account.
> 3. Calculate Other Revenue for every account.
> 4. Calculate Direct Expense for every account.
> 5. Calculate Indirect Expense for every account.
> 6. Calculate Risk Provision for every account.
> 7. Calculate Profit for every account.
> 8. Store the FFAPM Profit and the five factors of FFAPM into the RDBMS 106.

9. Aggregate and/or re-calculate the FFAPM Profit and the five factors of FFAPM as necessary.

Note that steps 2 through 6 perform account-level calculations. Steps 2, 3, 4, 5, and 6 can be performed independently and in parallel, while step 7 requires values derived in steps 2, 3, 4, 5, and 6, and therefore must be performed after steps 2, 3, 4, 5, and 6 are completed.

Moreover, the FFAPM 212 in FIG. 2 is defined at page 4, line 12:

Page 4, Line 12

The Value Analyzer is a data-driven computer-facilitated financial model that provides accurate and consistent profitability calculations using account, event and organization data stored in a relational database management system (RDBMS), wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status. The profitability calculations performed by the Value Analyzer rely on a Five Factor Atomic Profit Metric (FFAPM):

Profit	=	Net Interest Revenue (NIR)
	+	Other Revenue (OR)
	-	Direct Expense (DE)
	-	Indirect Expense (IE)
	-	Risk Provision (RP)
	=	NIR + OR - DE - IE - RP

This definition is also supported at page 11, line 25:

Page 11, Line 25

The Profit Calculations 200 generate one or more values for the five factors of the FFAPM 212, and specifically, the NIR, OR, DE, IE, RP, and Profit values. These values are used to generate the output data 214, which can be stored by the RDBMS 106 in the relational database.

Finally, Block 314 of FIG. 3 also defines the Profitability Calculations at page 20, line 4:

Page 20, Line 4

Block 314 represents the Value Analyzer Calculation Engine 104 performing the invoked Profitability Calculations 200 using the account, event and organization attributes accessed from the RDBMS 106, as well as one or more profit factors and one or more rules. In this Block, the Profitability Calculations 200 comprise:

Profit (a_i)	=	Net Interest Revenue (NIR) (a_i)
	+	Other Revenue (OR) (a_i)
	-	Direct Expense (DE) (a_i)
	-	Indirect Expense (IE) (a_i)

- Risk Provision (RP) (a_i)

for an account a_i.

In Block 314, invoked Profitability Calculations 200 also perform one or more amortization calculations in the computer using the account, event and organization attributes accessed from the RDBMS 106, wherein the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i. These amortization calculations are selected from a group comprising cash basis, straight-line, declining balance and interest methods.

In one embodiment, Block 314 performs straight-line amortization, wherein the straight-line method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

if $k < n$, then:

$$\text{Amortized Amount} = \text{Adj.Amt}_1 + (k-1) * (\text{Amt}/n)$$

$$\text{Unamortized amount} = (n-k) * (\text{Amt}/n) + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

if $k = n$, then:

$$\text{Amortized Amount} = \text{Amt}$$

$$\text{Unamortized amount} = 0$$

wherein:

n	=	number of terms in amortization period,	
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,	
Amt	=	an initial amount to be amortized,	
Adj.Amt_1	=	actual amount amortized in first period,	
Life(Amt)	=	number of amortization terms,	
$\text{AM}_k(\text{Amt})$	=	amortization amount for term k, such that:	
	=	Amt	if $k = 0$
	=	$\frac{\text{Amt}}{\text{Life}}$	if life $\geq k \geq 1$
	=	0	if $k >$ life.

In another embodiment, Block 314 performs declining balance amortization, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (\text{Amt}_1 + \text{Amt}_k)/2$$

$$\text{Unamortized Amount} = \text{Amt} - [k * (\text{Amt}_1 + \text{Amt}_k)/2]$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k.

In yet another embodiment, Block 314 performs declining balance amortization, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (\text{Amt}_1 + \text{Amt}_k)/2 - (\text{Amt}_1 - \text{Adj.Amt}_1)$$

$$\text{Unamortized Amount} = \text{Amt} - [k * (\text{Amt}_1 + \text{Amt}_k)/2] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k, and
Adj.Amt_1	=	actual amount amortized in a first period.

In still another embodiment, Block 314 performs interest amortization, wherein the interest method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

Amortized Amount =

$$\left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

Unamortized Amount =

$$\text{Amt} - \left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
r_a	=	annual interest rate,
p	=	periodicity of update,
r	=	period rate or r_a/p,
Amt	=	amount to be amortized,
Amt_1	=	amount amortized in a first amortization period, and
Adj.Amt_1	=	actual amount amortized in a first period.

Any one of these different amortization methods can be selected by the user, as desired.

In view of the above, Applicant's attorney submits that the drawings comply with 37 C.F.R. §1.83(a), in that they show every element recited in the claims. Consequently, Applicant's attorney requests that the objection be withdrawn.

III. Prior Art Rejections

In paragraphs (2)-(3) of the Office Action, claims 1-18 were rejected under 35 U.S.C. §103(a) as being unpatentable over Lepman, EP 1208495 (Lepman). In paragraph (4) of the

Office Action, claims 1-18 were rejected under 35 U.S.C. §103(a) as being unpatentable over Curley, "Royal Bank unearths profitability solution," (Curley).

Applicant's attorney respectfully traverses these rejections.

Specifically, Applicant's attorney submits herewith a Declaration under 37 C.F.R. §1.132 stating that the Lepman reference comprises a description of the Applicant's invention, and a Declaration under 37 C.F.R. §1.132 stating that the Curley reference comprises a description of the Applicant's invention. Consequently, the references are not a proper citation under 35 U.S.C. §102/103. Thus, Applicant's attorney requests that the rejections of the claims be withdrawn.

IV. Requirement under 37 C.F.R. §1.105

In paragraph (5) of the Office Action, Applicant and the Assignee were required to provide information so that an analysis under 35 U.S.C. §102/103 could be ascertained. The Office Action implied that the analysis would be made with regard to the publication referenced above, namely Curley, "Royal Bank unearths profitability solution." The Office Action thus requested the following information: "1. The date of all pertinent public information related and associated to/with the instant application's financial processing system regarding the account, event and organization attributes, along with the profitability calculations."

Applicant's attorney respectfully submits that the Declaration under 37 C.F.R. §1.132 moots this requirement, since the Curley reference is not a prior art reference.

In addition, Applicant's attorney notes that the requested information cannot be characterized as falling within the categories of information enumerated in 37 C.F.R. §1.105(a)(1)(i)-(vii). Applicant's attorney also notes that the requested information cannot be characterized as falling within the boundaries set forth in M.P.E.P. §704.11(a). As a result, Applicant's attorney submits that the requested information is not reasonably required for examination.

In view of the above, Applicant's attorney requests that the requirement be withdrawn.

V. Conclusion

In view of the above, it is submitted that this application is now in good order for allowance and such allowance is respectfully solicited. Should the Examiner believe minor matters still

remain that can be resolved in a telephone interview, the Examiner is urged to call Applicant's undersigned attorney.

Respectfully submitted,

GATES & COOPER LLP
Attorneys for Applicant

Howard Hughes Center
6701 Center Drive West, Suite 1050
Los Angeles, California 90045
(310) 641-8797

Date: February 11, 2004

By: GHG

Name: George H. Gates
Reg. No.: 33,500

GHG/amb